6/30/97

Bar Settings July 2 Workshop Script

Time	Topic	Facilitator and Scribe	Activity	Page Numbers
9:45 - 10:00	Introduction	- Deb - No scribe	• Welcome • Go over the agenda • Review project goals • Review project plan • Review tools used so far and planned for today • **Challenge: Lots to do/little time**	1 - 6
10:00 - 10:50	Review research results	- Various - Dan T. scribe	• 10 minute presentations • Scribe salient points	7 - 8
10:50 - 11:00	Explain strategy development process	- Bill - No scribe	• Explain process	9 - 11
11:00 - 12:30	Scenario 1 implications	- Bill - Dan B. scribe	• Do SWOT, Actions, Definition	12 - 31
12:30 - 1:00	Lunch			
1:00 - 2:30	Scenario 2 implications	- Eric - Ann scribe	• Do SWOT, Actions, Definition	12 - 31
2:30	Break			
2:45 - 2:30	Scenario 3 implications	- Dan T. - Dan B. scribe	• Do SWOT, Actions, Definition	12 - 31
3:00 - 4:30	Scenario 4 implications	- Ann - Bill scribe	• Do SWOT, Actions, Definition	12 - 31
4:30- 5:00	Wrap-up	- Eric		32 - 33

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Subsidiary of SRI International

333 Ravenswood Ave.
Menlo Park, CA 94022

Workshop 2

F A X

DATE: June 30, 1997

TO: Eric Windholz
Philip Morris Management
Corp.

PHONE: (212) 878 2345
FAX: (212) 907 5473

FROM: Bill Ralston
SRI Consulting

PHONE: 415 859 3537
FAX: 415 859 3437

RE:

CC:

Number of pages including cover sheet: 35

Dear Eric,

I've enclosed a draft of the workshop book for this week's workshop. We'll talk about it at 11:00 am EST this morning.

Regards,

Bill

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Agenda

Morning

- Welcome and introduction
- Review new research results
- Explain strategy development process
- Scenario Implications: *Cocktails and Dreams*
  - Part 2 of SWOT: Opportunities and Threats
  - Scenario actions
  - Success definition

Afternoon

- Scenario Implications: *Hell's Kitchen*
- Scenario Implications: *Barnes and Noble*
- Scenario Implications: *Ric's*
- Wrap-up

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Client Private

Bar Settings Project

Workshop 2
Scenario Implications and Strategy Levers

New York

July 2, 1997

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Welcome and Introduction

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Bar Settings Project Goals

The Focus and Objective of the Bar Settings Project is to:

"Establish PM's approach to facilitate the accommodation of those who smoke and those who don't in bar settings in the US"

The Bar Settings Project is designed to align with and support the following corporate goals:

- Primary--to create and preserve atmospheres where customers can enjoy PM products
- Secondary--to help establish with opinion leaders, regulatory authorities and business that it is viable and preferred to accommodate those who smoke and those who don't smoke in bar settings.

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Bar Settings Plan

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Plan for Bar Settings Project

Activities Prior to Each Workshop

- Initiate project
- Conduct external environment research

- Continue research
- Create strawman strategy levers

- Investigate new issues
- Prepare option maps
- Prepare strawman objectives and strategies
- Prepare factor analysis

- Review strategies
- Examine factor analysis implications
- Investigate decision uncertainties

Project Scoping and Expanding Perspectives	*Scenario Implications and Strategy Levers*	*Option Generation and Evaluation*	*Strategy Selection*
• Agree on project scope • Review research results • Conduct SWOT • Extend Scenarios • Identify additional research needed	• Review new research results • Develop scenario implications • Develop key levers of strategy for option mapping • Define success	• Review new research results • Discuss option maps • Conduct mission/vision alignment • Conduct factor analysis • Identify potential objectives • Identify potential strategies	• Set objectives • Select strategies • Develop strategy actions
Workshop 1 (1 Day)	***Workshop 2 (1 Day)***	***Workshop 3 (2 Days)***	***Workshop 4 (1 Day)***

Present Results August 12-13

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Analytical Tools Project

Analytical tools used thus far include:

- Research planning/presentation
- Scenario development (partial)
- SWOT analysis (strengths and weaknesses)
- Brainstorming
- Structured rounds

Analytical tools we will use today include:

- Scenario implications
  - SWOT (opportunities and threats)
  - Scenario actions
  - Success definition
- Brainstorming

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Review Research Results

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Research Topics

- Percent of bar patrons who are smokers (L. Culley)
- Results of consumer research and attitudes towards bars (L. Culley)
- Future trends for bars (L. Culley)
- Ideas for IAQ systems (G. Ray)
- Economic impact of smoking bars (T. Lattanzio, E. Osten)

Remember: 10 minutes for each presentation

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Strategy Development Process

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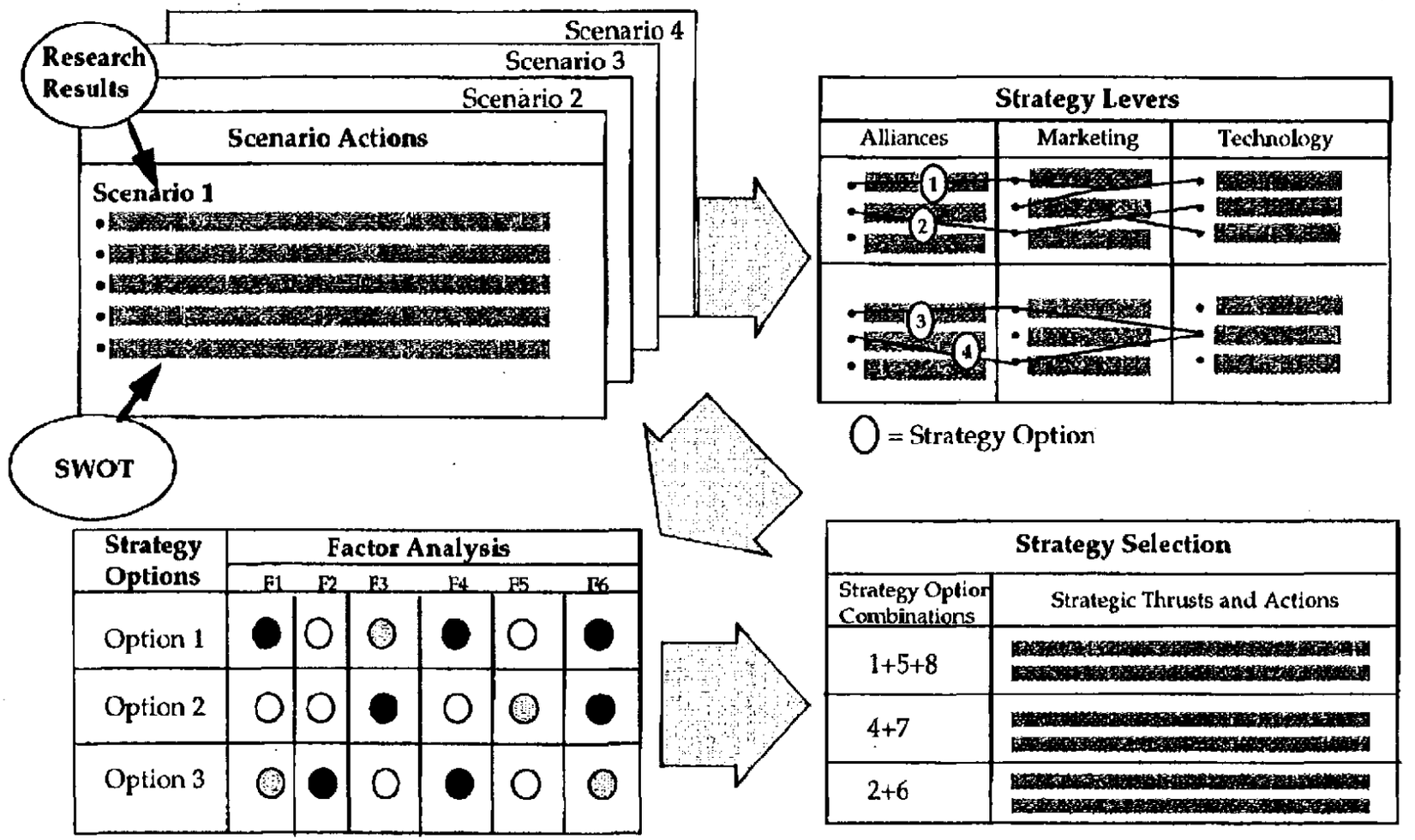
Strategy Development: From Scenario Actions to Strategy Selection



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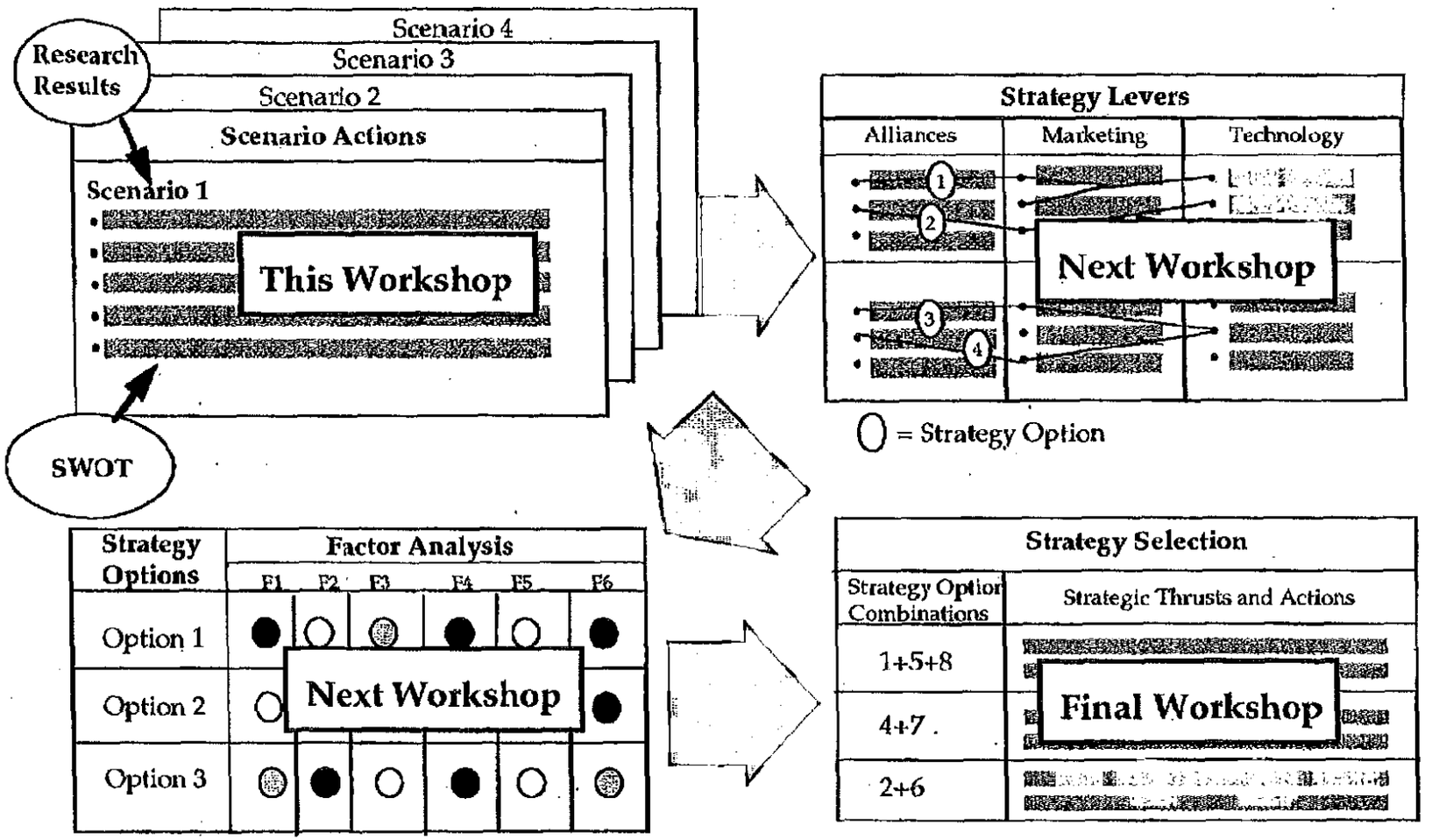
The Work Will Occur Over Three Workshops



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Scenario Implications

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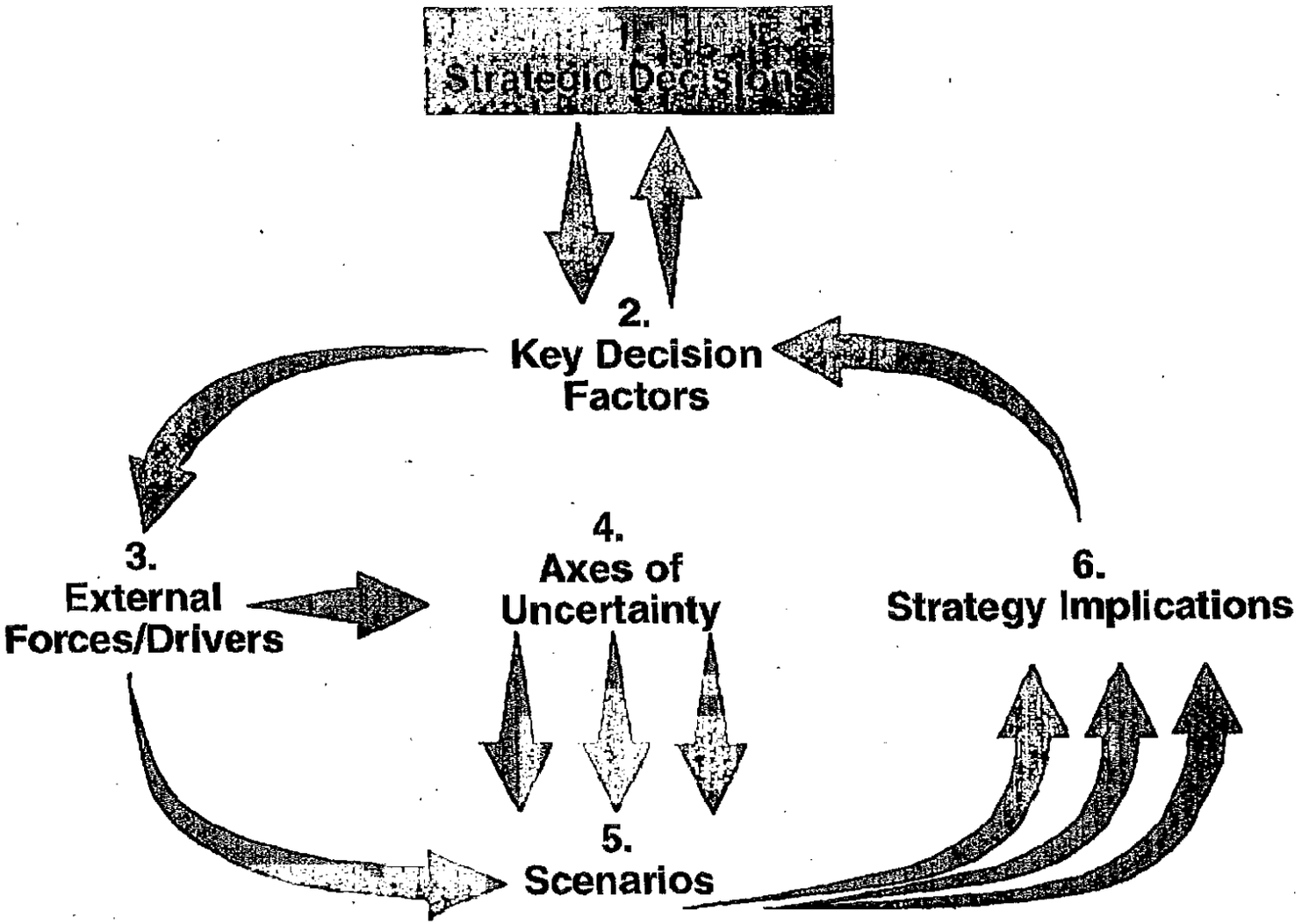
Today We Conduct Step 6 of Scenario Planing



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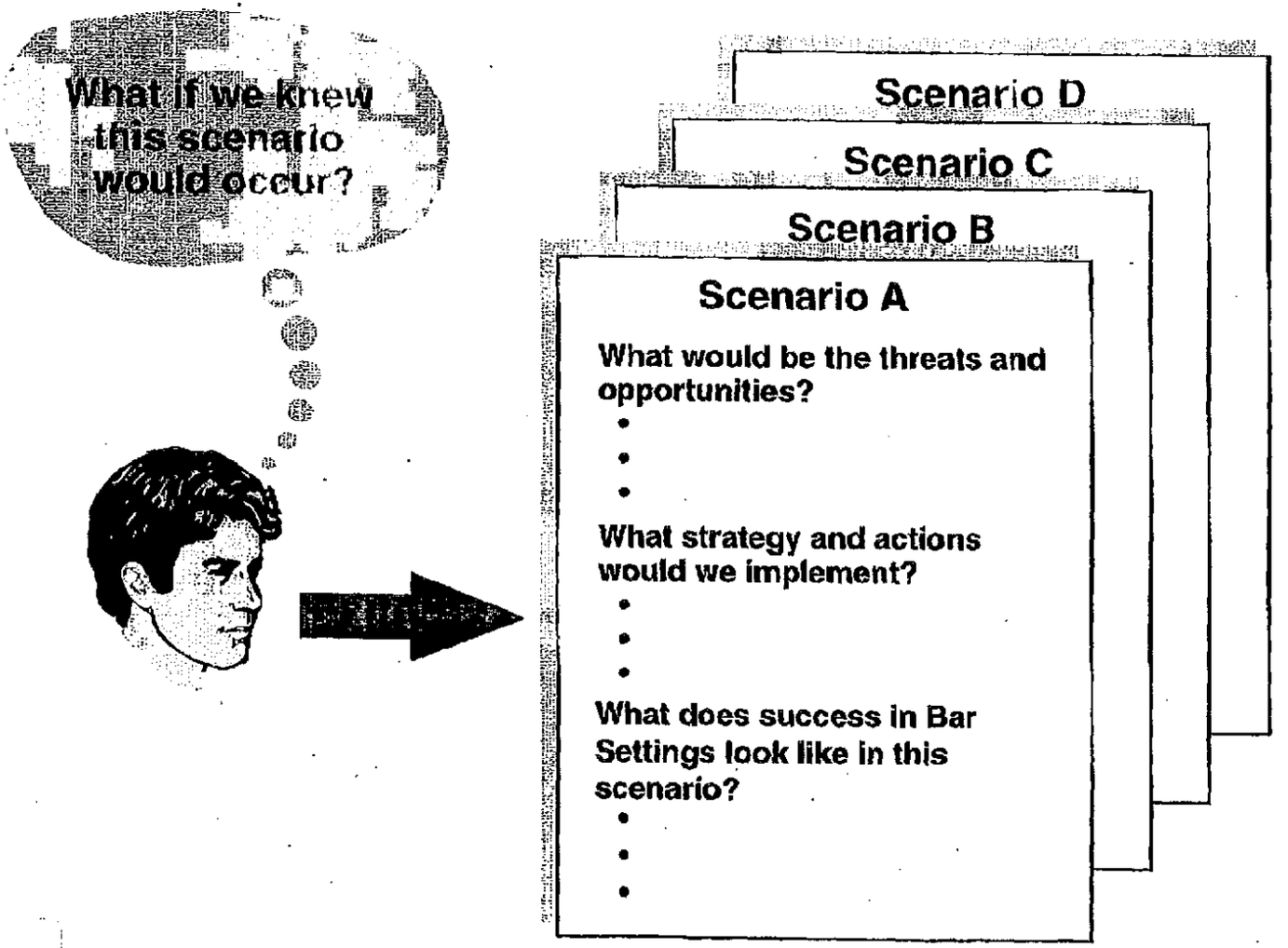
Step #6. Analysis of Strategic Implications



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SWOT Part 2

AIM: To assess and prioritize strengths, weaknesses, opportunities, and threats relative to the project issues

SWOT GRID	
Strengths • • •	**Weaknesses** • • •
Opportunities • • •	Threats • • •

Source: SRIC, Johnson and Scholes

Key Questions

- What opportunities are available to the organization as a result of the internal or external situation?
- What threats exist for the organization as a result of the internal or external situation?

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SWOT Part 2: Threats and Opportunities

INSTRUCTIONS:

- 10 minutes to prepare
- Going around the room, each individual identifies one threat and one opportunity for PM in the scenario.
- We continue circling the room until ideas are exhausted.

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SWOT Part 2 Worksheet for Scenario

Threat	Opportunity
- Increased competition - Bars "lose their identity" so less public draw - Complacency b/c exempted - Draw too much attention - Hospitality: bars especially lulled into false sense of security - Adv. & promotion	- Brand image - Lot of economic $ to put into accommodating options - Show case all our products - Create "bar cigarette"; new taste products - Advertising opportunity; brand adv.: more vent. options - Further solidify our position as bars being socially acceptable - Good ventilation / "cohabitation" model for other venues - Focus on core competency - Introduce brands for first time use - so purchase is done after that in stores

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SWOT Part 2 Worksheet for Scenario _____

Threat	Opportunity
	New products –

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SWOT Part 2 Worksheet for Scenario_____

Threat	Opportunity

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